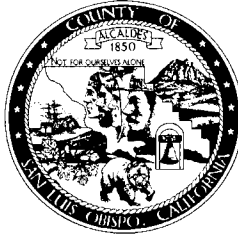


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor-Controller		(2) MEETING DATE February 28, 2006		(3) CONTACT/PHONE Andrea McGarvey (805) 781-5045	
(4) SUBJECT Adoption of Countywide Cost Allocation Plan for 2006-2007.					
(5) SUMMARY OF REQUEST The Cost Plan is an important document that allocates the costs of central servicing departments to the departments receiving the services. The Cost Plan also allocates building and equipment use allowance that is based on the cost of the buildings and equipment and their useful lives. The purpose of the plan is to determine the allowable indirect costs for reimbursement from Federal and State agencies and fees for services.					
(6) RECOMMENDED ACTION That your Board approve the attached Resolution regarding the use of the Countywide Cost Allocation Plan for fiscal year 2006-2007.					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Departments have been provided with overhead charges and rates as detailed in Exhibits A and B.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		


(19) ADMINISTRATIVE OFFICE REVIEW
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**County of San Luis Obispo**  
*Office of the Auditor-Controller*  
Room 300 County Government Center  
San Luis Obispo, California 93408  
(805) 781-5040 FAX (805) 781-1220



**GERE W. SIBBACH, CPA**  
*Auditor-Controller*  
**BILL ESTRADA**  
*Assistant*

TO: HONORABLE BOARD OF SUPERVISORS

FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER 

DATE: FEBRUARY 28, 2006

SUBJECT: ADOPTION OF COUNTYWIDE COST ALLOCATION PLAN

We are submitting for your approval a resolution adopting the Countywide Cost Allocation Plan for 2006-2007.

Recommendation

That your Board approve the attached Resolution regarding the use of the Countywide Cost Allocation Plan for fiscal year 2006-2007.

Discussion

Each year the County prepares the Countywide Cost Allocation Plan as required under Federal Office of Management and Budget Circular A-87 (OMB A-87) to allow for reimbursement of indirect costs from State and Federal agencies.

The Cost Plan is an important document that allocates the costs of central servicing departments (e.g. Administrative Office, Auditor-Controller, Personnel, General Services, County Counsel, etc.) to the departments receiving the services. The Cost Plan also allocates building and equipment use allowance that is based on the cost of the buildings and equipment and their useful lives.

All costs are allocated on a basis that is directly related to the amount of service required, i.e., personnel costs are allocated by the number of employees in each department, building use-allowance is allocated by the square footage used by each department, etc. The purpose of allocating costs is to determine the amount of Countywide overhead each department should include when calculating the total cost of a particular service, program or its entire operation.

Local governments are required to submit a Cost Allocation Plan for each year in which it claims central service costs under federal awards. In addition, The County's Cost Allocation Plan is in compliance with the Board of Supervisors policy to charge for full costs of service where appropriate.

Each year the Plan is submitted to the Office of the State Controller for audit to verify compliance with Federal Guidelines.



The attached resolution provides for the following:

1. All budget units listed in Exhibit A to be billed for Countywide indirect costs to reimburse the General Fund for services provided.
2. General Fund Departments that do not receive a majority of their funding from Federal and State agencies will be charged 3.5% of budgeted appropriations less fixed assets and countywide overhead.
3. Departments are to include Countywide indirect costs in the computation of fees for services provided to the general public. (Exhibit B lists the rates to be used by each department).
4. Departments are to include allocated Countywide indirect costs when claiming reimbursement on Federal and State grants allowing such costs.

#### Financial Considerations

It is estimated that the General Fund will recover \$13.3 million of indirect costs during the current fiscal year and in 2006-2007.

#### Results

The Countywide Cost Plan allows for reimbursement for central service department costs from Federal and State agencies. In addition, factors are provided to departments to use in computing total costs for fees to the general public and reimbursement claims filed with outside agencies.

#### Other Agency Involvement/Impact

The attached exhibits were provided to each of the departments for their review.

Attachments

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**IN THE BOARD OF SUPERVISORS**  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

\_\_\_\_\_ day \_\_\_\_\_, 2006

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION ADOPTING CENTRAL SERVICES COST ALLOCATION PLAN,  
APPROVING COUNTYWIDE OVERHEAD RATES AND AUTHORIZING  
GENERAL FUND COST RECOVERY**

The following resolution is offered and read:

**WHEREAS**, on August 26, 1974, the San Luis Obispo County Board of Supervisors endorsed the concept of Countywide overhead costs whereby the public citizen would be charged for the full cost of specific County services, and

**WHEREAS**, since June 2, 1975, the Board of Supervisors has approved rates of cost recovery and fees for services, instructed specific department managers to adjust their fees for services and to annually determine the total direct operating cost of each of their services, and

**WHEREAS**, since June 2, 1975, the Board of Supervisors has instructed the County Auditor-Controller to bill departments and organizations for their share of Board-established Countywide overhead charges, and

**WHEREAS**, on December 5, 1983, the Board of Supervisors instructed the County Auditor-Controller to annually submit to the Board, the Countywide Cost Allocation Plan, together with overhead rates for County departments to be utilized in the computation of fees for services provided to the general public, and

**WHEREAS**, the Auditor-Controller has prepared a Central Services Cost Allocation Plan for 2006-2007 in accordance with guidelines issued by the Federal Government OMB, ("Countywide Cost Allocation Plan") which allocates costs of central servicing departments to the operating departments, and

**WHEREAS**, for General Fund departments that are not funded primarily by Federal and State agencies, countywide overhead of 3.5% of appropriations excluding fixed assets and countywide overhead will be charged.

**WHEREAS**, it is important that the General Fund recover its costs of providing services on a comprehensive and consistent basis,

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by this Board of Supervisors as follows:

1. The attached Countywide Cost Allocation Plan and overhead charges listed in Exhibit A are hereby adopted for use in the 2006-2007 fiscal year and for the preparation of the 2006-2007 budget.
2. The County Auditor-Controller is instructed to bill the organizations listed on Exhibit A on a quarterly basis for the 2006-2007 Fiscal Year.

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**IN THE BOARD OF SUPERVISORS**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Resolution No. \_\_\_\_\_

Page Two

3. The County Auditor-Controller is instructed to bill the General Fund departments that are not primarily funded by Federal and State agencies 3.5% of their appropriations excluding fixed assets and countywide overhead.
4. The overhead rates listed in Exhibit B for each department shall be utilized in computation of fees for services provided to the general public.
5. County departments that receive cost reimbursement from Federal and State agencies shall utilize the State-approved Cost Allocation Plan to include indirect costs in their claiming process when allowed.

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted.

\_\_\_\_\_  
Chairwoman of the Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

BY: \_\_\_\_\_ Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT

JAMES B. LINDHOLM, JR.  
COUNTY COUNSEL

By: Warren R. Jensen  
Deputy County Counsel

Dated: Feb. 17, 2006

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S-5

COUNTYWIDE OVERHEAD CHARGES  
FOR 2006-2007 FISCAL YEAR

BUDGET UNIT	FUND	FUND CENTER	2006-2007 ALLOCATION
<b><u>Non-General Fund Departments</u></b>			
Roads	1200000000	245	\$ 345,432
Parks	1201500000	305	641,819
Drinking Driver Programs	1204500000	375	11,933
Library	1205000000	377	442,335
CMSP	1206500000	350	114,266
Emergency Medical Svcs	1207000000	351	18,455
Airports	2000000000	425	362,635
Golf Course	2000500000	427	159,676
Public Works	2900000000	405	1,030,736
Garage	2901000000	407	188,060
Workers' Comp	2901500000	408	115,683
Liability Self-Ins	2902000000	409	111,835
Medical Mal Practice	2903000000	411	2,518
Dental Insurance	2903500000	412	3,792
Reprographics	2905000000	406	91,202
Pension Trust Retirement Fund	3300500000	760	48,434
Air Pollution Control	4300000000	720	47,255
			<hr/> \$ 3,736,066
<b><u>General Fund Budget Units</u></b>			
SLO County Child Support	1000000000	134	450,458
Health Department	1000000000	160	1,297,888
Mental Health	1000000000	161	514,889
Alcohol Services	1000000000	162	61,905
Department of Social Services	1000000000	180	2,420,769
Law Enforcement Medical	1000000000	184	53,015
			<hr/> \$ 4,798,924

These numbers have not been approved by the State and are subject to change.

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COUNTYWIDE OVERHEAD RATES  
FOR 2006-2007 FISCAL YEAR

Department	Fund Center	2006-2007
		Overhead Rates
Board of Supervisors	100	22.85%
Administrative Office	104	11.81%
Risk Management	105	4.09%
Auditor-Controller	107	41.60%
Treasurer-Tax Collector	108	66.96%
Assessor	109	23.13%
County Clerk Recorder	110	17.70%
County Counsel	111	5.04%
Personnel	112	18.61%
General Services	113	9.35%
ITD	114	17.68%
Waste Management	130	14.01%
Grand Jury	131	36.37%
District Attorney	132	12.08%
Victim Witness	133	6.91%
Family Support	134	9.44%
Public Defender	135	1.77%
Sheriff-Coroner	136	13.31%
Animal Services	137	11.42%
Emergency Services	138	3.46%
Probation	139	10.03%
County Fire	140	6.08%
Agricultural Commissioner	141	6.33%
Planning Department	142	4.64%
Health Department	160	8.09%
Mental Health	161	2.29%
Drug and Alcohol Services	162	1.44%
SART	163	4.37%
Department of Social Services	180	6.61%
Law Enforcement Medical Care	184	3.09%
Veterans' Services	186	5.17%
PW Special Services	201	5.47%
Farm Advisor	215	17.07%
Roads	245	2.29%
Parks	305	14.35%
County Medical Services Program	350	4.41%
Emergency Medical Services Program	351	0.54%
Cal Healthcare Indigent Program	352	2.21%
Drinking Driver Programs	375	1.15%
Library	377	7.43%
Department of Public Works	405	5.16%
Reprographics	406	16.53%
Garage	407	6.78%
Workers' Comp ISF	408	3.99%
Liability Insurance ISF	409	4.91%
Medical Malpractice ISF	411	1.28%
Dental Insurance ISF	412	0.22%
Airports	425	14.65%
Golf Courses	427	7.44%